THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Nos, Sir.

(b) Does not arise.

Oil import bill

2689. SHRIMATI SHOBHANA BHARTIA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether India's net oil import bill stood at Rs. 1,50,492 crores in 2005-06 as compared to Rs. 1,03,462 crore in the previous fiscal;

(b) if so, whether bill of crude oil & petroleum products have slow down India's economic growth; and

(c) if so, what steps Government propose to meet the situation and reduce import of both crude oil and petroleum products by 2006?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) The net import bill during 2005-06 was Rs. 1,50,557 crore against Rs. 1,01,963 crore during the fiscal years of 2004-05.

(b) Increase in import bill due to fluctuation in international oil prices etc. has a cascading effect on the overall economy affecting primary sectors such as transport, power, fertilizers, etc. besides generating inflationary pressures and slowing down the growth rate of the economy.

(c) Various measures are being taken to substantially accelerate exploratory activities for enhancing domestic oil and gas production. These measures include the following:

i. increasing exploration efforts through the New Exploration Licensing Policy (NELP): Under NELP, 110 exploration blocks have been awarded to National Oil Companies, foreign companies and private/joint venture companies through International Competitive Bidding. This includes 20 Exploration Blocks recently awarded in the fifth round of NELP;

ii. improving the recovery factor from existing major fields by implementing Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) schemes. In particular, Oil and Natural Gas Corporation Ltd. (ONGC) have taken up 15 fields for this purpose at an estimated investment of Rs. 10,972 crore, which would

also help in accelerating oil production from these fields;

iii. exploring new areas, especially in deep waters and difficult frontier areas, as also the deeper layers of already producing fields;

iv. developing newly discovered fields speedily and stepping up the use of new technologies for seismic surveys, work over and stimulation operations, drilling of wells etc. in producing areas; and

v. acquiring equity oil and gas from abroad.

vi. 16 contracts have been signed so far for exploration of Coal Bed Methane (CBM). Another 10 CBM blocks have been offered in the third round.

vii. With the delicensing of the refinery sector since June 1998, more petroleum infrastructure including domestic refineries have been set up in the country.

ONGC'S oil property deal in West Africa

2690. SHRI V. HANUMANTHA RAO: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that ONGC Videsh is trying to buy an oil property at Gabon in West Africa;

(b) if so, the details thereof;

(c) what would be the gains to ONGC if this deal were to fructify;

(d) what would be the risks inherent in this deal;

(e) whether the risks are worth the deal; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) In early 2006, ONGC Videsh Ltd. (OVL) pursued an opportunity to acquire oil and gas assets owned by a U.K. based independent oil company, M/s. Pan Ocean Energy Corporation Ltd. in Gabon. A preliminary indicative bid submitted by OVL in this regard was not shortlisted.

(c) to (f) Do not arise in view of the (a) and (b) above.